

Meeting Minutes August 19, 2004

Town of Los Altos Hills City Council Regular Meeting

Thursday, August 19, 2004 6:00 P.M.
Bullis School Multi-Purpose Room, 25890 Fremont Road

1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE

Mayor O'Malley called the Regular Meeting of the City Council to order at 6:00 p.m. in the Bullis School Multi-Purpose Room at Town Hall Temporary Offices.

Present: Mayor Mike O'Malley, Mayor Pro Tem Breene Kerr, Councilmember Emily Cheng, Councilmember Bob Fenwick, and Councilmember Dean Warshawsky

Absent: None

Staff: City Manager Maureen Cassingham, City Attorney Steve Mattas, Planning Director Carl Cahill, Acting City Engineer/Director of Public Works Dave Ross, Administrative Services Director Sarah Joiner, Parks and Recreation Supervisor Jimmy Forbis and City Clerk Karen Jost

MOTION SECONDED AND CARRIED: Moved by Warshawsky, seconded by Cheng and passed unanimously to limit the length of time for public comments to three minutes.

Mayor O'Malley announced that the City Council would be adding a Closed Session to the Meeting's agenda. City Attorney Mattas clarified that the Closed Session was necessitated by the filing of an associated lawsuit in the Campbell-Ligeti matter relating to the abatement order issued by the Town. The information regarding the filing was just received by the Town yesterday and it required immediate action. Mattas recommended that Council add the Closed Session item to the agenda and advised Council that it required a 4/5 vote.

MOTION SECONDED AND CARRIED: Moved by Kerr, seconded by Fenwick and passed unanimously to add the Closed Session relating to Campbell-Ligeti vs. the Town of Los Altos Hills litigation to the meeting agenda.

Mayor O'Malley noted that Item 4.8 on the Consent Calendar will be moved to New Business Item 6.8 for purposes of discussion.

2. APPOINTMENTS AND PRESENTATIONS

2.1 Appointment to the Open Space Committee – 1 vacancy

Applicant Susan Welch addressed Council. She expressed her desire and interest to work with the Open Space Committee to preserve and manage the Town's open space areas

that she and her family have enjoyed for many years and consider a real asset to the community.

Council thanked Welch for her interest in volunteering to serve on the Committee.

MOTION SECONDED AND CARRIED: Moved by Kerr, seconded by Warshawsky and passed unanimously to appoint Susan Welch to the Open Space Committee for a term of four years.

2.2 Appointment to the Public Education Committee – 1 vacancy

Due to a previous commitment, applicant John Radford was unable to attend the Council Meeting. Councilmember Warshawsky explained that John Radford has expressed his interest to volunteer for the Committee. He added that he has worked with Radford as a member of the New Town Hall Committee and would recommend him for this appointment.

MOTION SECONDED AND CARRIED: Moved by Warshawsky, seconded by Kerr and passed unanimously to appoint John Radford to the Public Education Committee for a term of four years.

2.3 Appointment(s) to the Finance and Investment Committee – 2 vacancies

Council had before them an application from R. Douglas Norby, Finance and Investment Committee member, requesting reappointment to the Committee. Mayor O'Malley, Council Liaison to the Finance and Investment Committee, recommended the reappointment of Mr. Norby to the Committee.

MOTION SECONDED AND CARRIED: Moved by O'Malley, seconded by Warshawsky and passed unanimously to appoint R. Douglas Norby to the Finance and Investment Committee for a term of four years.

2.4 Appointments to the Joint Volunteer Awards Committee

Postponed at the request of Roger Burnell- Joint Volunteer Awards Committee Chairman.

3. PLANNING COMMISSION REPORT

Planning Director Carl Cahill reported that the Planning Commission had met twice since the last City Council meeting, respectively on July 22, 2004 and August 12, 2004. At the July 22, 2004 meeting, the Planning Commission had considered two public hearing items: Lands of Alon, a request for a site development permit for a new residence and Lands of Jessen, a request for a site development permit and a conditional use permit for an addition and variance for two required parking spaces. Lands of Alon was continued with the applicant directed to redesign the house or nest it into the hill a minimum of ten feet. Cahill noted that this application had significant neighborhood interest and opposition to the home. Lands of Jessen is located in the recently annexed area of Los Altos Hills. The lot is substandard and the applicant was requesting the garage to

encroach into the setbacks. The item was approved. The meeting had also included a discussion of water conservation as it pertains to landscaping. The Planning Commission, after review of the staff report, concurred that more could be done with educating the public on the issues rather than enacting an ordinance, that has not proved effective in other cities. Cahill noted that if Council is interested, staff will bring the report back to Council for discussion at a future meeting.

Cahill reported that at the August 12, 2004 meeting, the Planning Commission had considered two public hearings. The first item, Lands of Horton, was a request for a conditional exception to road design standards. The Planning Commission recommended approval and it will be forwarded to Council for their consideration. The applicants were directed to meet with the Fire Department to discuss their requirements and determine if they could be modified to permit a narrower road that would save trees on the site. The second item, Lands of Cho, was a request for a new residence on a hillside lot. Cahill noted that the applicants had done an admirable job of nesting the structure into the site, utilizing the existing pad and the Planning Commission had approved the project.

Councilmember Fenwick requested additional information on the water conservation report and the Planning Commission discussion.

Following a brief Council discussion, Council requested staff agendize the water conservation report and Planning Commission deliberations for Council review at their next meeting.

4. CONSENT CALENDAR

Items Removed: 4.5 (Kerr), 4.7 (O'Malley), 4.8 (O'Malley)

MOTION SECONDED AND CARRIED: Moved by Cheng, seconded by Warshawsky and passed unanimously, to approve the remainder of the consent calendar, specifically

- 4.1 Approval of Minutes: Regular City Council Meeting July 15, 2004
- 4.2 Review of Disbursements: 07/09/2004 – 08/10/2004 \$303,381.10
- 4.3 Annual Approval of Investment Policy
- 4.4 Investment Report for the Quarter ended June 30, 2004
- 4.6 Approval of Resolution Adding Designated Positions to the Town's Ethics Code for Disclosure Purposes Per Fair Political Practices Commission Requirements – Resolution No.47-04
- 4.9 Proposed Revision to Parks and Recreation Supervisor Job Description
- 4.10 Acceptance of Grant of Conservation Easement; Lands of Horton, Chaparral Way (APN: 182-25-015) Resolution No.49-04
- 4.11 Acceptance of Work and Notice of Completion for Demolition and Hazardous Materials Abatement for the New Town Hall Project Resolution No.50-04

Items Removed:

4.5 Approval of Grant of Pathway License Agreement; Pinewood School,
26800 Fremont Road

Mayor Pro Tem Kerr requested clarification on this item. Planning Director Cahill explained that the license agreement before Council is the modified agreement that was required as a condition of approval for the installation of the new synthetic playing field on the property. It requires that Pinewood or future users of the site grant a license to the Town for use of the Pathway if they wish to continue use of the synthetic field. The Town would require removal of the field if the license were not granted.

MOTION SECONDED AND CARRIED: Moved by Kerr, seconded by Warshawsky and passed unanimously to approve the Grant of the Pathway License Agreement, Pinewood School, 26800 Fremont Road. Resolution No. 46-04

4.7 Acceptance of the 2003-2004 Street Rehabilitation, Storm Drain Improvements
and Pavement Marking Project

Mayor O'Malley explained that he had requested separate consideration of this item to allow him the opportunity to commend Assistant Engineer John Chau and Acting City Engineer/Director of Public Works Dave Ross on the project. The work has been very satisfactory and the residents have expressed their pleasure with the performance of the street work.

Council concurred and applauded the success of the project.

MOTION SECONDED AND CARRIED: Moved by O'Malley, seconded by Kerr and passed unanimously to accept the 2003-2004 Street Rehabilitation, Storm Drain Improvements and Pavement Marking Projects. Resolution No.48-04

4.8 Authorizing Waiver of Encroachment Permit Fees Associated with California
Water Service Company's Fire Protection and Water Service Reliability Project
scheduled for Construction this Year.

This item was reordered to New Business-Item 6.8.

5. UNFINISHED BUSINESS

5.1 Town Goals

5.1.1 Complete Town Hall On Time and On Budget

5.1.1a TBI Update

Tony Vierra, TBI Construction Management, reviewed the most recent New Town Hall project status report with Council. He explained that the project is on schedule and the target date for completion is March 15, 2005.

5.1.1b Consideration of Proposal for Tax Exempt Private Placement Financing for the New Town Hall Project

Administrative Services Director Sarah Joiner introduced this item. She presented an overview of the financing option before Council for their consideration. At their last meeting, the City Council had requested Bill Fawell, President of the financial advisory firm of W.J. Fawell Co., submit a proposal for lease/purchase arrangement via private placement tax-exempt financing. The proposal before Council was for \$2 million at a fixed rate of 4.65% with an initial payment of \$93,000 due in one year and payments of \$195,964.90 there after. The cost of the issuance was approximately \$31,000 and the financing was estimated to close in mid-September.

Bill Fawell addressed Council and noted that he was available to answer any questions Council might have on the proposal.

Council requested clarification on the prepayment options for the financing. Fawell reviewed the terms: five year “no call period” with an initial prepayment premium of 2% declining thereafter.

Bill Madison, Bond Counsel, Jones Hall addressed Council. He described the lease financing package before Council as a very attractive offer with a low interest rate and no reserve fund requirement. Madison reviewed the covenants of the loan, options for “refinancing” and insurance requirements.

Council discussion ensued. Councilmember Warshawsky explained that he has been supportive of financing the New Town Hall project in recent meetings and had not changed his opinion. He noted that the low interest rates made the offer very attractive. Councilmember Cheng concurred that this was an excellent loan, however she did not support borrowing for the project and believed that it would be more appropriate to pay for the project from the Town’s reserve funds. Councilmember Fenwick noted that he believed Council should increase the amount of the loan to borrow \$3 million. Mayor Pro Tem Kerr favored borrowing the funds noting that the interest rate was excellent. Mayor O’Malley concluded the discussion stating that he believed that as a Town it is necessary to be cautious and prudent. O’Malley supported the proposal adding that the financing amount of \$2 million dollars is reasonable, the interest rate is very competitive and the loan can be paid off in five years.

MOTION SECONDED AND CARRIED: Moved by Kerr, seconded by Warshawsky and passed by the following roll call vote to approve the proposal as presented by W. J. Fawell Co. for financing of \$2 million for the New Town Hall project and to adopt Resolution No. 51-04 authorizing lease financing of New Town Hall and Administration Building and approving related documents and actions.

AYES: Mayor O’Malley, Mayor Pro Tem Kerr, Councilmember Fenwick and Councilmember Warshawsky

NOES: Councilmember Cheng
ABSENT: None
ABSTAIN: None

5.1.1c Award of Contract, Professional Services Agreement and
Additional Services Authorization for New Town Hall Project

Tony Vierra, TBI, reviewed the proposals before Council as outlined in the staff report.

Mayor O'Malley explained that the new Town Hall Committee had meet last night and thoroughly reviewed and discussed the agreements. The project is progressing very well.

MOTION SECONDED AND CARRIED: Moved by Kerr, seconded by Warshawsky and passed by the following roll call vote to adopt Resolution No. 52-04 and award all identified contracts.

AYES: Mayor O'Malley, Mayor Pro Tem Kerr, Councilmember Cheng,
Councilmember Fenwick and Councilmember Warshawsky
NOES: None
ABSENT: None
ABSTAIN: None

5.1.1d Consideration of Proposal for Landscape Architect Services

Mayor O'Malley reported that the contract for Landscape Architect Services had been awarded at the New Town Hall Committee meeting with the approval of a quorum of three Councilmembers present to Thomas Klope Associates for \$12,400. O'Malley noted that this was outside of the project budget but could be potentially be funded by Donor Wall donations.

5.1.2 Identify and Fund Underground Project

Councilmember Warshawsky reported that the Undergrounding Subcommittee had met last night. They have selected three routes based on their benefit to the overall community and their ability to satisfy the criteria established by PG&E for the use of Rule 20A funds for the project. The pilot project candidates selected were : Purissima Road near the Little League Fields; Fremont Road near Town Hall and Altamont Road near Byrne Preserve.

Warshawsky explained that the Undergrounding Subcommittee had used the following additional criteria in their selection process of candidate streets: 1) high civic or scenic value; 2) few overhead drops- (fewer overhead drops calculates to less cost for the Town); 3) high traffic; 4) high clutter of wires.

The Subcommittee and PG&E will be walking these routes in the near future and Warshawsky will return to Council with the findings.

5.1.3 Complete Master Pathway Map

Chris Vargas, Pathways Committee Chairman, reviewed the upcoming Public Hearing dates with Council and reminded everyone that the version of the map that is to be reviewed is Version #1 and a working map. Following the hearings, the Committee will review the comments and suggestions from the public and incorporate them into Path Map Version #2 that will be forwarded to the Planning Commission for their subsequent public hearings.

Dot Schreiner, Saddle Mountain Road, reported on the status of the path map group that is researching map easements. She noted that her group would like further clarification from the City Attorney regarding the definition of private roads.

Jean Mordo, Vogue Court, suggested that the Pathways Committee notify residents when the Planning Commission concurs with their position so they will not have to attend any additional meetings.

Council suggested he notify the Pathways Committee Chairman of his suggestion.

5.2 Discussion of Tentative Agenda for September 2, 2004 City Council Meeting

City Manager Cassingham introduced this item to Council. She reviewed the pending items tentatively scheduled for the September 2, 2004 City Council Meeting.

Following a brief discussion, Council concurred that that due to the Labor Day weekend and the travel schedule of many residents, they would cancel the September 2, 2004 Council meeting.

MOTION SECONDED AND CARRIED: Moved by Kerr, seconded by Fenwick and passed unanimously to cancel the September 2, 2004 City Council meeting.

5.3 Request for a One Year Extension of a Tentative Map, Lands of Horton; Chaparral Way (APN: 182-25-015) 81-01-TM-ND-GD

Planning Director Carl Cahill addressed Council. He acknowledged that it had been a pleasant experience working with the applicants and they had successfully addressed the concerns of the City Council. The applicants have voluntarily dedicated a large area as a conservation easement. Cahill added that he is working with the Fire department to see if there is a solution to reducing the width of their road requirements.

MOTION SECONDED AND CARRIED: Moved by Kerr, seconded by Cheng and passed unanimously to grant the request for a one year extension of the Tentative Map; Lands of Horton, Chaparral Way, #81-01-TM-ND-GD (APN: 182-25-015).

Mayor O'Malley thanked Mr. and Mrs. Horton for their cooperation and efforts and Planning Director Carl Cahill and the Open Space Committee for the successful resolution.

6. NEW BUSINESS

6.1 Consideration of Councilmember Appointment as Representative to the Santa Clara Counties Cities Association (SCCCA) Joint Economic Development Policy Committee

Following a brief discussion, Council agreed to continue the consideration of an appointment to the SCCCA Joint Economic Development Policy Committee until December when the new Council is seated.

6.2 Consideration of Appointments to the Santa Clara Valley Transportation Authority's Valley Transportation Plan Design Enhancement Committee (VTP DE)

Council discussed the appointment and concurred that schedules did not permit a Council appointment to the VTA's Transportation Plan Design Enhancement Committee. City Manager Cassingham will advise the VTA if any community member expresses an interest in serving on VTP DE.

6.3 Roadway Impact Fee Study – Matrix Consulting Group

Administrative Services Director Sarah Joiner introduced this item. She reported that the Council had approved an award of contract on July 1, 2004 to Matrix Consulting for a study of traffic impact fees. They have completed the study. Joiner summarized their recommendations for Council that included: 1) implementation of a town-wide roadway impact fee; 2) development of an ongoing program to collect average daily traffic counts with respect to local and collector streets; 3) increase annual funding for street capital improvements from \$500,000 to \$800,000 and 4) recover the cost of roadway maintenance and construction costs from construction vehicles and refuse trucks. Joiner noted that prior to enacting such a fee, the City Council would hold a public hearing and this could be scheduled for the September 16, 2004 City Council Meeting. The amount proposed to be collected through the building permit is a fee equivalent to .63% of the building permit valuation. An additional assessment for refuse trucks would be recovered by assessing each refuse account \$36.52 per year. Matrix is proposing that the roadway impact fee be adjusted annually by the changes in the Construction Cost Index.

Gary Goelitz, Vice President, Matrix Consulting Group reviewed with Council his report titled "Analysis of the Roadway Impact Fee". Goelitz explained that the report provides the Town with the findings, conclusions and recommendations resulting from the analysis of the impact of construction and refuse vehicles on public streets in Los Altos Hills. The report also discusses the level of maintenance and appropriate funding needed to maintain the condition of the Town's roadways. Goelitz explained that historically, the Town has funded street maintenance from the general fund with significant amounts, however, the recent budget problems in Sacramento has placed municipalities in a complicated position with revenues being deferred to the State and the Town may have difficulty funding and maintaining their street maintenance budgets. He noted the reduction in this year's allocation and the costs that result in deferred maintenance. Goelitz summarized their recommendations found on Page 3 and discussed their findings. He explained that the proposal had two basic elements: 1) fees based on building permits and 2) refuse fees. The report identified the truck types and the percentage of damage associated with the vehicles. Goelitz noted that the fees under discussion by the Town

are lower than other similar communities and reviewed a comparison chart that included the Cities of Sausalito, Belvedere and Larkspur. Matrix recommended that the Roadway Impact Fee not be imposed on projects whose building valuations are equal to or less than \$10,000.

Council thanked Goelitz for his report. They concurred that the basis for the fee is reasonable and that more delays in roadway maintenance will result in higher street repair costs.

MOTION SECONDED AND CARRIED: Moved by Fenwick, seconded by Cheng and passed unanimously to receive and file the report and direct staff to set the public hearing for an ordinance to impose Roadway Impact Fees for September 16, 2004.

6.4 Request for Grant Funding from Supporters of Westwind Community Barn for Westwind Barn Door Replacement Project

City Manager Cassingham introduced this item to Council. She explained that before Council was an opportunity for the Council to authorize an application for grant funding from the Supporters of the Westwind Community Barn to fund the Westwind Barn Door replacement project at a cost not to exceed \$20,000. Cassingham explained that this is the process that complies with the Supporters By-Laws and founding principles. They are offering to consider an application and administer the project. The Town is requesting that the project follow all requirements of the facilities lease agreement between the Town and Friends of Westwind.

Jean Mordo, Treasurer, Supporters of the Westwind Community Barn, explained that they have raised approximately \$100,000 and as their first project would like to fund a grant for replacement of the exterior barn doors at Westwind Barn.

MOTION SECONDED AND CARRIED: Moved by Fenwick, seconded by Cheng and passed by the following roll call vote to authorize a request for grant funding from the Supporters of Westwind Community Barn for the Westwind Barn Door Replacement Project. Councilmember Warshawsky recused himself from the vote due to the proximity of his residence to Westwind Barn.

AYES:	Mayor O'Malley, Mayor Pro Tem Kerr, Councilmember Cheng and Councilmember Fenwick
NOES:	None
ABSENT:	None
ABSTAIN:	None

6.5 General Plan and Zoning Amendments – Public and Private Schools

Planning Director Carl Cahill reported that Council at their July 15, 2004 meeting had directed staff to review the Town's Zoning Ordinance and General Plan and to propose any amendments necessary to clarify the Town's intent regarding the definition of "public school" and "private school". Cahill reported that he and the City Attorney have completed the review and had several recommendations for Council consideration including the recommendation that language to distinguish a public school from a private

school be added to the Zoning Ordinance. Cahill reviewed the text with Council as outlined in the staff report noting that it had been researched by the City Attorney's office to ensure that it meets the requirements of the State Constitution and State Education Code.

Cahill added that under California law, zoning ordinances must be consistent with the general plan. The City Attorney has reviewed the Town's Zoning Ordinance and the General Plan and believed that inconsistencies do exist. The General Plan Land Use Diagram designates only certain locations in Town for public and private school uses. The Zoning Ordinance implies that public and private schools could be located anywhere in Town subject to the approval of the Planning Commission and issuance of conditional use permit. Staff is recommending, to ensure that the Zoning Code is consistent with the General Plan, a text amendment be added to Title 10 Chapter 1, Article 7 10-1.703 to read "where designated on the General Plan Land Use Diagram".

Cahill noted that staff, in reviewing the Land Use Diagram, discovered an additional inconsistency with the designation of the Pinewood School site. Staff had determined that when Pinewood School occupied their present site, the Town did not require the General Plan Land Use Diagram to be amended from the previous designation as a public school. Cahill added that further research is appropriate but to be consistent it should be amended to private school.

City Attorney Mattas reviewed the options for Council. He noted that presently a private school is operating on a public school designated site under the General Plan Land Use Diagram. The City Attorney recommended that the General Plan be amended to accurately reflect what presently exists on the site as an entitled land use. This would help to maintain consistency with the General Plan. Mattas clarified that if Council wished to further consider the issue of the specific designation as a private school or dual designation as a public/private school site, staff could report back the implications of the change. Mattas explained that all changes will go through the public hearing process before the Planning Commission and Council.

Council requested that the designation of Morgan Manor be included in the review and be considered to be changed from private school to residential use.

MOTION SECONDED AND CARRIED: Moved by Kerr, seconded by Cheng and passed unanimously to direct staff to prepare Zoning and General Plan amendments for consideration by the Planning Commission.

6.6 Emergency Vehicle Access and Road Connections

Planning Director Carl Cahill introduced this item to Council. Cahill reported that he and the City Engineer Dave Ross have spent a great deal of time researching the issue that was presented to Council via correspondence and public testimony from resident Les Earnest with regard to emergency access routes in Town. Earnest had requested additional emergency access road connections and that the gates on emergency roads remain unlocked. Staff has met with County Fire District officials and Sheriff's deputies to discuss the existing and potential emergency road connections throughout Town. Cahill noted that safety officials are responsible for evacuating residents and do not want

residents misusing the escape routes and possibly driving from developed areas into high fuel load areas. Staff also field –checked the various routes detailed in Mr. Ernest’s letters noting that most are not feasible for emergency vehicle access vehicles. Cahill reported that following the staff site visits, it was determined, that some of the emergency connections need minor maintenance. The City Engineer has directed public works staff to commence the necessary maintenance work.

Cahill reviewed a status report prepared by staff on the neighborhoods and streets that Mr. Earnest claimed were inadequately served by secondary emergency access routes. Cahill noted that the Circulation Element which contains specific policies with regard to emergency vehicle access was last updated in 1999 and is not scheduled for another update until 2008-2009. Staff is not recommending any changes to the Town’s policies at this time.

OPENED PUBLIC COMMENT

Les Earnest, Dianne Drive, stated he was very disappointed with the report and noted that he had wanted a systematic study of the issue. He reiterated his belief that it is important for the Town to acquire more emergency access easements. Earnest noted that he had posed five questions in his correspondence and the report had only addressed two. He believed the field observations were in error and added that the issue needed more study.

Dot Schreiner, Saddle Mountain Drive, explained that she would like the City Council to look at the issue from a residents stand point. She had always believed there were two emergency exits for her street but has discovered that there is no exit because the fire roads are locked.

Mayor O’Malley explained that gates are often locked to prevent trespassers in the areas where motorcycles and cars would create a fire danger.

Jim Abraham, Viscaino Road, commented that emergency roads are meant for emergency vehicles and it is important that residential traffic not block the fire trucks.

Jill Jensen, Purissima Road, explained that a possible solution to prevent motorcycles from using the emergency roads are the motorcycle barricades.

CLOSED PUBLIC COMMENTS

Council thanked Planning Director Carl Cahill.

PASSED BY CONSENSUS: to receive and file the report.

6.7 Parks and Recreation Strategic Plan

Parks and Recreation Supervisor Jimmy Forbis introduced this item to Council. Forbis explained that Council had before them the Town of Los Altos Hills Parks and

Recreation Strategic Plan that was a culmination of eight months of work. To assist Council in reviewing the report, Forbis had prepared a power point presentation.

Forbis noted that the purpose of strategic planning is to lay out a future vision for the Los Altos Hills Parks and Recreation Department based on community values, priorities and resources so that the Department may use this as a roadmap for future planning. The objective of the plan was to determine the Community pulse, understand the Community trends and develop a vision for the future.

Forbis reviewed the public input process that had included community meetings, the identification and interviews of key stakeholders, and focus group meetings. Consultant Kathy Merchant had been hired to facilitate the community outreach and gather and compile the findings into a draft strategic plan. The key findings are discussed in detail in the report and included: Community trends, vision for the future, development of priorities, performance measurements, financial resources and resulting actions.

The Community trends identified that the Town has had a steady population demographic from 1990 to 2000, however, children aged 5-9 years have increased 78% and due to budget constraints in neighboring cities, Town residents have had limited access to recreation programs provided by Palo Alto and the City of Los Altos.

Forbis noted that the Vision for the Future is to develop programs that build community, primarily focusing on ages 5-13 years and that reflect the uniqueness of the Town's rural and environmentally conscious values.

The Strategic Plan also identified the priorities for the Department that included: 1) Edith Park Renovation; 2) utilization of the Town's Riding Ring to meet the needs of the Community; 3) the continued development of the Purissima playing fields corridor; and 4) update the Recreation Element of the General Plan. Forbis reviewed the financial resources available to the Department from various Bond Act monies and explained that this was the sole funding for the Department and they are a one time only source.

Forbis formally submitted the Parks and Recreation Strategic Plan to Council on behalf of the Department and the Strategic Planning Team consisting of Dan Alexader, Karen Bergh, Councilmember Emily Cheng, Ben Gikis, Jane Kawasaki, Val Metcalfe, Patty Radlo and Rebecca Hickman and concluded that with Council's approval of the Strategic Plan, the Parks and Recreation Committee will now prioritize identified projects and focus on a primary project for presentation to Council in the near future.

OPENED PUBLIC COMMENTS

Ed Emling, Murietta Lane, congratulated Parks and Recreation Supervisor on the excellent presentation. He had a question regarding parking and safety issues on Moody Road, the Rhus Ridge access to the Open Space for hikers. The number of cars parking on Moody has increased dramatically especially on week ends. He would like the Committee to review parking options and the possibility of increasing parking spaces at Rhus Ridge.

City Manager Cassingham suggested that this should be referred to the City Engineer for his review.

Mayor Pro Tem Kerr thanked Emling for his comments and noted that this area can not be paved however the number of cars has increased and would like to investigate a possible creative solution by looking at the road right of way.

Bob Stutz, Elena Road, suggested that Council look at having over flow parking at Foothill College. He acknowledged that this was a distance from the Open Space but walk able. Stutz reminded the Council that the Town Riding Ring improvements were done by the Horseman's Association and community volunteers. Materials that were used at the ring have a life expectancy of twenty to twenty-five years.

CLOSED PUBLIC COMMENT

Council thanked Parks and Recreation Supervisor Jimmy Forbis and the Committee for their report and efforts.

PASSED BY CONSENSUS: to receive and file the Parks and Recreation Strategic Plan 2004.

City Manager Cassingham noted that staff and the Committee would return to Council following further work with their recommended priority projects.

- 6.8 Authorizing Waiver of Encroachment Permit Fees Associated with California Water Service Company's Fire Protection and Water Service Reliability Project scheduled for Construction this Year

This item was reordered from the Consent Calendar for purposes of discussion as New Business.

City Engineer/Public Works Director Dave Ross introduced this item to Council. Ross briefly described the project. The California Water Service Company in conjunction with the Los Altos Hills County Fire District will be installing a new pipeline and pump improvements to provide better water reliability in the area. He explained that a review of the Town's Municipal Code had determined that staff did not have the authority to waive the encroachment fees for California Water Service Company. It does permit such an action for the Purissima Hills Water District. The request is before Council for their consideration.

Council requested clarification on why Purissima Hills Water District is exempt but not California Water Service Company. Ross explained that the latter is a for-profit company and Purissima Hills Water District is a Special District. Ross noted that he had inquired about policies from other cities on the waiving of fees and found that that the City of Los Altos does charge a fee but it is less than the Town's. He added that the estimated fee is approximately \$69,000. The Fire District is paying for the project.

City Manager Cassingham noted that she had received input from residents in the area that they are very interested in the project and the improvement of water reliability and fire protection.

City Attorney Mattas explained that the Council did have the option of approving a partial fee waiver and could reduce the fee by half.

Councilmember Cheng said she did not agree with the inequity of waiving fees for the Purissima Hills Water District and not California Water Service Company. She added that the project would benefit the Community.

MOTION SECONDED AND CARRIED: Moved by Kerr, seconded by Fenwick and passed by the following roll call vote to reduce the encroachment permit fees associated with the California Water Service Company's Fire Protection and Water Reliability Project scheduled for construction this year by fifty percent (50%).

AYES: Mayor O'Malley, Mayor Pro Tem Kerr, Councilmember Fenwick and Councilmember Warshawsky
NOES: Councilmember Cheng
ABSENT: None
ABSTAIN: None

7. REPORTS FROM COMMITTEES, SUB-COMMITTEES, AND COUNCILMEMBERS ON OUTSIDE AGENCIES

**7.1 Consideration of Report Entitled "Public Education in Los Altos Hills"-
Public Education Committee**

Kathleen Justice-Moore, Public Education Committee, addressed Council. Council had before them several documents that had been forwarded by the Committee. A first draft of the report, an errata and the final draft document dated August 18, 2004 and titled "Public Education in Los Altos Hills: A Brief History". Justice-Moore noted that there had been submittal errors with the first draft document and for discussion purposes she would like Council to consider the August 18th report. She explained that the PEC is seeking Council approval of the document to disseminate it as a public document via the Town's website. Justice-Moore briefly described the origin of the document and the PEC's plan to provide it to Council candidates for informational purposes. In preparing the document, the Committee realized that any information provided to candidates must also be available to the public. The purpose of the report is to provide a factual report on public education in Los Altos Hills.

Councilmember Fenwick noted that if the document were to be approved by Council and disseminated as a Town document, Council would essentially be verifying the veracity of the facts and the cites. He questioned if the facts been confirmed by any outside, impartial entity.

Justice-Moore explained that it had not been reviewed or checked by any outside source. The Committee had checked the footnotes and citations; however, the telephone interviews could not be replicated.

Mayor O'Malley commented that it would be appropriate to have Town staff review the document before it is published. Justice-Moore offered to provide the telephone numbers for review of the telephone interviews if needed.

Mayor Pro Tem Kerr explained that the document had been researched over the past six to nine months and he had reviewed it during the course of its development. He was comfortable with the facts as presented. He concurred that it would be appropriate for Town staff to review the report but he would like to be able to provide it to the Council candidates as soon as possible.

Mayor O'Malley explained that staff would be reviewing the content of the document for Town issues, not tax rates and parcel information facts. The report would then be posted on the Town's website as authored by the Public Education Committee.

City Attorney Steve Mattas explained that the document would continue to maintain its identification as prepared by the Public Education Committee and would represent their efforts, however, they are an entity of the Town. Mattas noted that he had reviewed the document and for clarification for the members of the Committee present at the Council meeting he recommended that the paragraph that referenced the "got milked" signs in Town be removed because it makes reference to a political statement.

Justice-Moore noted that the Committee was not only seeking approval of the document as factually presented but also the tone and style of the report. They had endeavored to make the report neutral. She explained that the paragraph was intended to be a reference to the signs. Justice-Moore added that the Committee is open to taking out any substance that Council would request be removed. The Committee wishes to publish a document that is not inflammatory but educational.

Councilmember Fenwick questioned the references to the initial survey that had been conducted by the PEC. The document refers to it as an improperly conducted survey and yet it includes the survey results. Justice-Moore explained that the committee had concluded that the survey was not improperly done but informal and this was the basis for leaving the information in the document. It explains why the Committee is seeking a second survey that will be conducted scientifically. Council briefly discussed the issue and suggested that it should be referenced as an informal survey and note that it be identified as such before describing the results.

Council discussed the process for reviewing the questions for the second survey. The survey design company has requested that the content of the survey not be publicly debated. City Attorney Mattas explained that Council had previously directed that the survey questions return to Council for their review and approval. He suggested that a Subcommittee of the Council could review the question.

MOTION SECONDED AND CARRIED: Moved by Kerr, seconded by Cheng and passed unanimously to direct the City Manager, Planning Director and City Attorney to review the document to make sure there is no political point of view represented or inaccurate statements and following the review to place it on the Town's website as a Public Education Document.

Council briefly discussed the issue of survey targeted areas. Mayor Pro Tem Kerr advised Council that non-residents are included in the survey.

Mayor O'Malley, to expedite the review process, appointed the Subcommittee of Mayor Pro Tem Kerr and Councilmember Fenwick to review the PEC survey questions designed by Godbe Research and to investigate the possibility of identifying the non-resident responses to the survey from the areas within the Sphere of Influence and City of Los Altos.

City Attorney Mattas clarified the Public Education Committee's parameters for inviting Council Candidates to a Committee meeting. The meeting agenda could identify a question and answer period and provide information. The Committee needs to limit their answers to factual information and refrain from making opinions. Mattas explained that State law prohibits the Town from being involved in a political campaign. He noted that the Council's adoption of the draft report does provide background information to the Candidates. Mayor Pro Tem Kerr suggested that the Committee not have the meeting considering all of the restrictions.

Justice-Moore noted that she would advise the Committee of Council's advice.

Mayor O'Malley thanked Justice-Moore and the Committee for all of their efforts.

OPENED PUBLIC COMMENT

John Harpotlian, Anacapa Drive, agreed with Councilmember Fenwick that the first survey be identified as an informal survey that does not have the import that a formal, scientific survey does. He noted that the Council had carefully reviewed the PEC document to ensure that it was appropriate as a Town document but that allowing the PEC Committee to meet directly with the candidates in a public forum permits them to offer their opinions without any review by Council.

Jill Jensen, Public Education Committee, explained that the document was created to have a clear, neutral statement for the Candidates. She requested that Council consider sending a letter to the School District regarding the issue of leasing the Bullis site.

Jim Abraham, Viscaino Road, agreed with Mayor Pro Tem Kerr's concern that non-residents be set out from residents who reply to the survey.

Roger Burnell, Public Education Committee, noted that the two surveys have completely different questions. He suggested that it was not too early nor too late to send a letter to LASD regarding the lease of the Bullis site explaining that they should be advised that there are principles in place that guide the use of the site. He would like this information disseminate to parties interested in leasing the site.

John Harpotlian, Anacapa Drive, explained that it may be difficult for Godbe to identify non-residents noting that they configure their polling by demographics.

Ed Emling, resident, commented that the Committee had undertaken a great amount of work over the past twelve months, expended a lot of time and energy on this project and they are to be commended for their efforts. He expressed his concern with previous comments made by Councilmember Fenwick on this issue and tonight's appointment of Councilmember Fenwick to the Subcommittee to review the survey questions.

Councilmember Fenwick responded by saying it was preposterous to say he had no interest in public education noting that public education is available to residents of the Town today. He reiterated his position that he has listened to his constituents on Town issues and this issue has generated little public interest.

Mayor O'Malley added that it was important to have the neutral voice provided by Councilmember Fenwick on the Subcommittee. Mayor Pro Tem Kerr concurred.

CLOSED PUBLIC COMMENTS

8.1 City Manager

8.1.1 Award for Financial Reporting

City Manager Cassingham thanked and extended her appreciation to Administrative Services Director Sarah Joiner and Accountant/Office Manager Cindy Higby for all of their efforts and professionalism in establishing the underlying systems in the Town's accounting and reporting systems. Cassingham announced that they had recently received an award from the Government Finance Officers Association of the United States and Canada for the Town's Comprehensive Annual Financial Report (CAFR). Cassingham noted that this was in addition to the Certificate of Achievement for Excellence in Financial Reporting that they had received for the CAFR from the California Society of Municipal Finance Officers.

Mayor O'Malley applauded their efforts and ability to respond to numerous requests for reports in a variety of formats adding that they always meet the challenge.

8.1.2 Report on State Budget and Proposition 1A

City Manager Cassingham introduced this item and explained that she would entertain any questions Council might have on the State budget update. She explained that the cities, counties and special districts were able to qualify for the November ballot Proposition 65. Governor Schwarzenegger has entered into discussions with local governments about possibly assisting the State with the budget shortfall by sharing the pain of several years of local revenue cuts in return for Proposition 1A which will also appear on the ballot in November. Cassingham added that Proposition 1A will allow the cities, counties and special districts to control their fiscal destinies into the future and she looked forward to its introduction to the public.

8.2 City Attorney

8.3 City Clerk

8.3.1 Report on Council Correspondence

Mayor O'Malley noted that Council had received very little mail in the past few weeks with resident complaints. He thanked the City Manager for her efforts to respond to problems quickly and bring them to resolution noting recent problems with P G & E and Caltrans. O'Malley added that the residents benefit from her proactive approach.

9. COUNCIL-INITIATED ITEMS

9.1 Consideration of Resolution Proposing Joint Sponsorship with Foothill-De Anza College District of a One Day Forum Exploring Issues Surrounding Public Sector Employee Benefit Costs – Mayor Pro Tem Kerr

- Employee Salary and Benefit Costs

Mayor Pro Tem Kerr introduced this item. He provided Council with background correspondence to reflect the interest in the project. Kerr explained that the Chancellor of Foothill College is considering November as a tentative date for the forum and he is seeking Council approval to co-sponsor the event. He explained that the forum would provide an opportunity for public agencies to garner information from experts on this issue. Kerr did not believe there would be any cost to the Town.

Cassingham noted that if the Town would be responsible for coordinating any of the event it might require contract help. Kerr responded that he did not foresee any staff time being needed.

City Manager Cassingham offered that since this was a national and statewide problem that affects all employers, she would encourage a partnership with the private sector be created ,noting that benefit costs affect all employers.

MOTION SECONDED AND CARRIED: Moved by Warshawsky, seconded by Cheng and passed unanimously to adopt Resolution No.54-04 in support of the Joint Sponsorship with Foothill-De Anza College District for a forum exploring issues surrounding public sector employee benefit costs with no cost to the Town and to assign Mayor Pro Tem Kerr to the task.

9.2 Consideration of Resolution Supporting John McLemore's Service on the Metropolitan Transportation Commission – Mayor Pro Tem Kerr

Mayor Pro Tem Kerr explained he is seeking support from Council for John McLemore's continued service on the MTC. Kerr noted he has worked with McLemore and he is an excellent representative of the interests of the North County.

MOTION SECONDED AND CARRIED: Moved by Kerr, seconded by Warshawsky and passed unanimously to adopt Resolution no. 55-04

9.3 Discussion of Proposed Five-Year Green Energy Strategic Plan including 50% Energy Use Reduction Goals – Mayor Pro Tem Kerr

Mayor Pro Tem Kerr explained he is seeking Council's approval for the use of limited staff time on his proposal. He presented a brief overview of the Green Energy Program

that has evolved organically and started with the design of Town Hall. This plan is targeted to cut the Town's electric use by approximately 50%. Kerr added that in the Fall, he would like Council to consider adopting a formal goal of reducing the Town's energy use by 50% and using 2003 as the base year. He explained that his proposal besides the reduction of electric use, also included reduction of diesel and gasoline fuels by Town vehicles which ultimately put carbon dioxide into the air and water conservation. He concluded that he would like to develop a strategic plan for this expansion of the Green Energy Program.

Mayor O'Malley commented that the Council is currently faced with numerous issues including sewers, pathways, a new Town Hall and public education. He applauded the goals of Mayor Pro Tem Kerr but would like to schedule the undertaking when some of the outstanding tasks before Council are completed.

Councilmember Fenwick noted that this would make an excellent Mayoral goal for Mayor Pro Tem Kerr's term as Mayor.

Kerr explained that he understood Council's wishes and would postpone his proposal however he would bring forward to Council Green Energy issues from time to time that need immediate action.

9.4 Proposed Purchase of Hybrid Electric Vehicle to Replace Taurus Town Staff Vehicle and Application for Grant from Bay Area Air Quality Management Division – Mayor Pro Tem Kerr

Mayor Pro Tem Kerr briefly summarized the item. He explained that the Town's staff car is ready to be replaced and he is suggested that the Town apply for a grant from the Bay Area Air Quality District for funds to purchase a hybrid vehicle. The grant is for \$2,000. He requested that Council approve the application for the funds and if and when a car is available for purchase, the item would be returned to Council for their consideration.

MOTION SECONDED AND CARRIED: Moved by Kerr, seconded by Warshawsky and passed unanimously to direct staff to apply for the grant from the Bay Area Air Quality Management Division for \$2,000.

10. PRESENTATIONS FROM THE FLOOR

Peter Evans, La Loma, advised Council that there is a rumor circulating that the Los Altos School District is considering a closed session for the purposes of discussing the use of the Bullis School site for a Day Care facility. He noted that this might be in conflict of the Town's policy and requested that the Council consider reiterating the policies regarding the use of the facility to the School District.

Sherwin Tavana and Cameron Kashani addressed Council. They presented Council with a petition they had circulated titled "KIDS for Community". The petition opposes the relocation of Pinewood High School on the Winbigler Property, and advocates restricting the use of this property to single family residential buildings. As students who ride their

bikes and often walk in the area of the proposed school, they believed the additional traffic would be a safety issue.

Mayor O'Malley thanked Tavana and Kashani for their efforts and involvement in the Community.

Ernest Solomon, President, Purissima Hills Water District Board of Directors, spoke to the comments of Planning Director Cahill on the Planning Commission's recent review of water conservation. He concurred that education was a positive approach but he believed that there is a need for something more robust with the escalating use of water for landscaping purposes, possibly an ordinance. He noted that he is aware that a similar ordinance in Hillsborough had not worked but is seeking other approaches. Solomon voiced his opinion that due to the limited amount of water source from the Hetch-Hetchy, there will come a time when there is not enough water in Los Altos Hills.

Mayor O'Malley explained that the Planning Commission report is being forwarded to the City Council at their next meeting for discussion.

Roger Spreen, Open Space Committee Chairman, addressed Council. He thanked Planning Director Cahill and applicant Jack and Nancy Horton for their recent efforts on the Lands of Horton subdivision. The applicant's have voluntarily conveyed a conservation easement to the Town that will protect substantial areas of oak woodlands and chaparral. The conservation easement, however, will not impinge upon the applicant's building sites. Spreen concluded that this was a positive example for voluntary conservation easements and a "win-win" for the property owners and the Town.

Roger Burnell, Black Mountain Road, Public Education Committee member, requested that the City Council consider directing staff to advise the Los Altos School District what is a permissible use of the Bullis School site. He would also like staff to advise any organization that is considering to use the Bullis site to be similarly noticed of the approved uses and Town policy.

Council thanked Burnell for his comments.

11. PUBLIC HEARINGS

None

MOTION SECONDED AND CARRIED: Moved by Warshawsky, seconded by Kerr and passed unanimously to adjourn to the Closed Session at 9:40pm.

12. CLOSED SESSION

CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION: Government Code Section 54956.9(a): Campbell and Ligeti v. Town of Los Altos Hills

The City Council reconvened to the Regular City Council meeting at 10:07pm.

No action was taken

13. ADJOURNMENT

There being no further business, the Council Meeting was adjourned at 10:08pm.

Respectfully submitted,

Karen Jost
City Clerk

The minutes of the August 19, 2004 Regular City Council Meeting were approved as amended at the September 16, 2003 Regular City Council Meeting.